

IN FOCUS...

MERCK PUTS THE COLOUR INTO COLOUR COSMETICS FOR 2007

A south-African-based cosmetics provider has thrown some light on what to expect from the cosmetics world next year by predicting the colours and textures that should prove popular. The Company's study, which falls in line with expectations in the chief markets it covers - including the US, China, Brazil and Japan - have been developed in collaboration with Peclers Paris, a global trends agency. From its combined work, the companies came up with four key areas, which are believed to provide the basis of trends for the spring and summer of 2007. Those four key concepts have been named Material, Soleman, Private and Singular, and Merck claims they provide the basis for themes depicting the concept, inspiration and atmosphere relevant to the defined colours in the complete spectrum of future colour cosmetic products. The first of those concepts, Material, focuses on dense textures and bold colors reflecting what Merck terms 'a fancy and fun feel'. Around this theme the company has developed products for the lips and nails exhibiting thick textures and pure pigments contributing to a deep and rich finish. The Soleman concept has led to make-up displays with what the company terms 'velvety, satiny or silky textures with gold's grey metallic shades and pearly shimmering effects'. Likewise it says that glosses highlight matte and shiny contrasts whilst nail lacquer feature a metallic sheen. Beauty products have a 'fresh' feel with tender colours and light textures, according the company's Private concept. The company says this means pastel eye shadows are enhanced by white crystal glittering effects, while there is also a clear focus on transparent and light textures on nails. Finally the Singular concept has led to bold colors which use intense pigments applied to eyes, lips or hair for a powerful vibrant effect that is now becoming increasingly fashionable for a range of eye shadow and other high-colour products. Merck says it has created a range of demonstration products encapsulating the above themes for the face, eye, lips, nail hair and body in a range of colours that touch on warm oranges, golden beiges, opalescent pastels and strong greens.

www.cosmeticsdesign-europe.com



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1. INDUSTRY NEWS

1.1 GREATER CHINA: HK, CHINA AND TAIWAN

1.1.1 CHINA: CHINA JAN-MARCH URBAN RETAIL SALES UP 13.5 PCT YR-ON-YR - NBS

China's urban retail sales rose 13.5 pct year-on-year to 1.24 trln yuan in the first three months, while rural retail sales increased 11.5 pct to 603 bln yuan, the National Bureau of Statistics said in a statement. The NBS said that China's nominal retail sales grew 12.8 pct year-on-year to 1.84 trln yuan in the first quarter of 2006, while in March alone, nominal retail sales expanded by 13.5 pct to 579.7 bln yuan. The wholesale and retail sectors increased sales by 12.9 pct from a year earlier to 1.56 trln yuan. The catering sector saw sales up 14.2 pct year-on-year in the first quarter at 254.2 bln yuan. Clothing sales rose 17.2 pct, daily consumer goods were up 14 pct, household appliances rose 17 pct and grain and edible oils jumped 16.7 pct year-on-year. Sales of meat, poultry and eggs were up 8.7 pct.

Afxasia Newswire - Global: April 21, 2006

1.1.2 CHINA: DANONE UPS STAKE IN BRIGHT DAIRY

Danone, the French yoghurt maker, will pay CNY358 million (€36.8m) to increase its stake in Bright Dairy, China number three dairy company, to 20.1 per cent. The French group already held an 11.55 per cent share but increased its stake after buying a combined 88.2 million shares from S.I. Food Products Holdings and Shanghai Milk Group, Bright Dairy said. The transaction is still subject to government approval. Danone's stake in Bright Dairy, which uses the Danone brand name in China and factories formerly run by Danone, has already helped it build up a lead in the rapidly growing added value yoghurt business.

Novis food&beverage news: April 13, 2006

1.1.3 TAIWAN: TAIWAN'S UNI-PRESIDENT SEEKS ACQUISITION OPPORTUNITIES IN CHINA, INDIA

Taiwan's Uni-President is seeking acquisition opportunities in China and India as part of efforts become the largest food and beverage group in Asia outside Japan within three years, the Financial Times reported on its website, quoting a senior company official. The push into India follows more than a year of acquisitions in China through which Uni-President is attempting to close the gap with Tingyi, it said. Uni-President has bought stakes in five beverage companies in China since September 2004.

Afxasia Newswire - Global: April 30, 2006

1.2 KOREA & JAPAN

1.2.1 KOREA: PACIFIC QUEST

Amorepacific makes fully 90% of its sales in its saturated home market and is little known outside South Korea. So Suh is mounting a bold push overseas, targeting the U.S., Asia and France. There are no plans now for another spa in the U.S. like the one in SoHo, which opened in late 2003 to showcase the company's products and generate buzz in the world's media capital. But after noticing a rising demand in the U.S. for exotic Asian ingredients in cosmetics and the sudden popularity of Asian beauty treatments, Amorepacific is ramping up sales in upmarket department stores. In China the company is counting on riding the "Korean wave" phenomenon, the sudden appeal of all things Korean throughout East Asia. And in France it's targeting consumers of high-end fragrances.

www.forbs.com

1.2.2 JAPAN: COLGATE REPORTS BIG JUMP IN PROFITS

Colgate-Palmolive has successfully implemented increased pricing and a greater emphasis on higher margin goods to help boost its first quarter results despite the challenge of facing stiff restructuring costs. The personal and consumer goods manufacturer reported that profits were up from \$300.1m in the first quarter of last year to reach \$325.4m, a figure that included restructuring costs. Excluding costs, profits stood at \$383.4m, an increase of 11 per cent on the previous year, compared with \$344.7m for the same figure in 2005. Meanwhile sales rose by 5 per cent to reach \$2.87bn, up from \$2.74bn. The company's oral, personal and home care sales represented \$2.49bn of the total amount, and grew by 4 per cent.

Novis cosmetics news: April 27, 2006

1.2.3 JAPAN: SHISEIDO PULLS BACK IN PROFIT, BUT PREDICTS TOUGH TIMES

Leading Japanese and global cosmetics player Shiseido has pulled back into profit following improved sales and reduced labour costs, but it is predicting that sales growth will slip in the coming year as a result of competition. The world's fourth biggest company has been struggling against mounting production costs and stagnant sales in its all-important domestic market in recent years, but a comprehensive restructuring programme is now starting to pay dividends, in turn helping the company to get back into profit. The company reported that net sales for the financial year up to March 2006 came in at ¥670.9bn (€4.68bn), up 4.9 per cent from in the previous year, while ordinary income jumped 37.9 per cent to reach ¥43.1bn. This meant that net income stood at ¥14.4bn, compared to a loss of ¥8.85bn for the financial year up to March 2005. In a press interview CEO Yasuhiko clearly stated that the company's improving financial position should serve to deter potential hostile takeover bids. Harada reinforced this by pointing to the fact that the company's market capitalisation is now heading towards the ¥1,000bn mark, which he believes should act as a suitable deterrent.

Novis Cosmetics News: April 28, 2006

1.2.4 KOREA: LOTTE SHOPPING-INVESTMENT PLAN

Lotte Shopping Co., South Korea's largest department store chain, plans to invest 6 trillion won (US\$6.15 billion) in expanding its stores over the next five years, industry sources said. Lotte Shopping will invest about 3 trillion won between 2006 and 2007, earmarking 70 percent of the money for its discount unit Lottemart, the sources said. Lottemart is expected to open 12 new stores this year and add 16 more next year, raising the number of its outlets to 70. The remaining 3 trillion won will be spent between 2008 and 2010, they said. Lotte Shopping will add one department store in 2006 and two more in 2008. It will also make efforts to improve the profit structure of its department stores, the sources said. Earlier this month, Lotte Shopping said in a regulatory filing it will raise up to 3.68 trillion won in a dual initial public offering in Seoul and London soon. Founded by Korean-Japanese tycoon Shin Kyuk-ho in 1948, Lotte Group also has a confectionery maker, hotels and an amusement park.

Yonhap News: January 24, 2006

1.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

1.3.1 PHILIPPINES: FIORGELATO SETS SIGHTS ON ASIAN MARKET

The holding company granted exclusive rights from Italy to Manufacture, sell, and distribute pure Italian ice cream Fiorgelato to the local market is planning expanding in the Asian market to tap Filipinos working abroad. At the sidelines of the Micronegosyo (microenterprise) Fair, Milking Corp. President and chief executive said the 17-year old company is working on some joint ventures with some food companies based abroad.

Business World: April 03, 2006

1.3.2 THAILAND: FDA ON ALERT FOR 'DEADLY' MEAT

Animals bred for human consumption are being given drugs meant for humans and the practice could leave deadly residues in meat, the Food and Drug Administration said. The FDA has alerted its offices across the country and launched a major crackdown on the practice, FDA secretary-general Phakdi Pothisiri said. A vast number of human drugs, including antibiotics and steroids, some labelled "prescription drug", have already been confiscated from veterinary drugstores in Suphan Buri and Uttaradit, where random checks were recently conducted, he said. "Penicillin residue, even in small amounts, can kill people allergic to the drug," said sources.

The Nation: April 28, 2006

1.3.3 THAILAND: UK-BASED BOOTS TO OPEN 20 NEW OUTLETS THIS FISCAL YEAR

Boots, a British retailer of health and personal-care products, plans to open 20 new outlets in Thailand this fiscal year, starting this month and ending in March 2007, the Bangkok Post reports. Another 20 stores or more would open over the company's next fiscal year, according to, new managing director of Boots Retail (Thailand) Ltd, a subsidiary of Boots in the UK. Most of the new outlets will be in Bangkok, with products aimed at women over age 25. The company projected that investment per store would be between three million and five million baht for outlets with retail space of between 70

and 100 square metres. The company has opened six new stores since January: four in Bangkok and one each in Koh Samui and Hua Hin. It will open its 100th outlet at the Q House Building Lumpini in May. Apart from outlet expansion, Boots' parent firm plans to support its Thai operation with an IT system and new Boots brands. The end of 2006 will have introduced more than 400 items introduced to Boots shops. As Thai people are becoming more concerned about their health, the company sees huge market potential for its personal and health-care products in the Kingdom.

Thai News Service: April 10, 2006

1.3.4 THAILAND: RISE IN TRUCK TRANSPORT FEES TO CAUSE INFLATION

Consumer product prices are likely to increase following the rise in cargo truck freight fees by 15-20 per cent, The Nation reports. Marketing division manager of Siam Sanitary Ware Industry, which makes the Toto brand, said the company had already raised the price of its sanitary ware products by 10 per cent across the board at the beginning of the year to cover the higher cost of raw materials and transportation.

Thai News Service: April 28, 2006

1.3.5 THAILAND: THAILAND'S COSMETICS IN 2006: TRADE SURPLUS LIKELY TO CONTINUE, INCOME NEARLY THB30 BILLION

Research - Based on the latest report of the Global Trade Atlas, the world's market turnover of cosmetics in 2004 totaled USD101.688 billion, while the figure over the first nine months of 2005 reached USD82.164 billion, rising over the USD74.179 billion in 2004, an increase of 10.76 percent, over-year. Among the world's top five exporters are France, Germany, Ireland, the US and the United Kingdom where their combined export value account for more than 50-60 percent of the world's annual cosmetic exports. Within the ASEAN bloc, Thailand is the second largest exporter, with Singapore in the lead. However, Thailand ranks fourth in Asia, lagging behind Singapore, China and Japan, with exports totaling USD660.5 million, or equivalent to THB26 billion in 2005. Remarkably, over the past 4-5 years, Thai cosmetics have exhibited satisfactory growth in the world market. Overall, exports of Thai cosmetics in 2006 are likely to rise by 12-15 percent, while Thailand's imports of such products are set to post growth of some 10 percent this year. As a result, Thai cosmetics may earn the country more than USD700 million - or almost THB30 billion in revenue. Thus, it is likely that Thai cosmetics will continue to enjoy a trade surplus in the global arena. This can be done in many ways, including development of innovative new products featuring Thai herbal ingredients that are becoming more popular each day in overseas markets, because Thailand is more ready with abundant and varied natural ingredients than rivals.

Thai News Service: April 06, 2006

1.3.6 INDONESIA: UNILEVER INDONESIA TARGETS 10 PCT EARNINGS GROWTH THIS YR

PT Unilever Indonesia is targeting earnings growth of 10 pct this year amid an improving macroeconomic condition after having seen profits dip slightly last year, investor relations head said Unilever is the country's leading producer of more than 500 consumer products including soap, detergents, food and other cooking ingredients as well as cosmetics. Sources said household and personal care products make up around 80 pct of sales while food and ice creams account for the remaining 20 pct. Sources said promotion and marketing expenses would normally make their impact on sales in the

quarter following the outlay of such expenditure. He said the fuel price hike by an average 126 pct last October did not only raise the company's operating costs but also hurt demand.

Afxasia Newswire - Global: April 06, 2006

1.3.7 PHILIPPINES: UNIVERSAL ROBINA REVEALS INTERNATIONAL EXPANSION PLANS

Philippines-based Universal Robina will spend P5.6 billion (€87m) this year to expand its branded foods range and increase its presence in other Asian markets, URC president Lance Gokongwei said. The company, which makes three quarters of its revenue from branded food, said it wants to expand its beverage line and grow its presence in China, Thailand and other Asian markets. Some P2.84 billion of its capital expenditure this year will go towards the growth of consumer food operations. URC claims to be the Philippines' market leader in several categories including snacks, sweets and chocolates. It is also increasingly active in the beverage segment. It has just opened a manufacturing plant for its successful C2 green tea product in Vietnam, according to a report in the *Philippine Daily Inquirer*, and the company has also launched Bull Fighter, a new energy drink, and Rush, a fitness drink. In its commodities unit, the URC president said there are plans to boost sugar milling capacity to 5,000 tons of cane a day this year from 4,500 tons. This will rise to a further 9,000 tons a day in 2007.

Novis Food&Beverage News: April 25, 2006

1.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

1.4.1 INDIA: FMCG COMPANIES MAKE MERRY

Fast moving consumer goods, or FMCG, companies are on a roll. For the latest three months to March 2006, which for some is an annual closing and others the first quarter of their current year, all had the same story to tell. Business is strong, growth is in double-digits and the sector is moving at a brisk pace. Check the numbers: Hindustan Lever's net sales for its first quarter of 2006 are Rs2,798.05-crore—up 11.64 % over the base quarter. Net profit is Rs 442.86 crore in the current quarter—an increase of nearly 77% over the same period last year. Nestle India's net sales for the first quarter of 2006 was 10% more at Rs675.9-crore. P&G's—for what is its third quarter—was Rs 112.89 crore, a growth of 27% over the same quarter in 2005.

Financial Express: April 29, 2006

1.4.2 INDIA: BISCUIT INDUSTRY REELS UNDER HIGH INPUT COSTS

The biscuit industry in India is under pressure due to the increase in the prices of inputs like wheat, sugar and vegetable oil. Biscuit manufacturers are planning to increase the prices of biscuits to improve the margins. Surya Foods and Agro Ltd have increased the price of PriyaGold by 10-15 percent from 1 Apr 2006. Britannia Industries Ltd is likely to increase the prices in a few months.

Business Line: April 19, 2006

1.4.3 INDIA: FMCG SECTOR NET INCREASES BY 32%

While the fast moving consumer goods (FMCG) sector has been back on the growth path for the last few years, the past year saw it come back with a boom. On a year-on-year basis, the sales for the October-December quarter increased 11.42

per cent (personal care products) and net profit by 31.96 per cent as compared with the negative growth seen in the previous few years. The best example of this is consumer goods major Hindustan Lever returning to double digit sales growth last year after a six year gap.

Business Standard: April 12, 2006

1.5 PACIFIC: AUSTRALIA & NEWZEALND

1.5.1 NEW ZEALAND: PESSIMISM GROWS AMONG FMCG COMPANIES

ACNielsen's retail barometer survey is the first of its type in New Zealand (NZ). The researcher surveyed leaders of large fast moving consumer goods companies. Some 53 per cent of respondents thought business conditions had worsened in the last year. One-third of respondents thought conditions were the same. Pessimism was most pronounced among sales and marketing personnel working "at the coal face". Areas of concern to NZ manufacturers included private labels and pressure from retailers. Over 60 per cent of those surveyed expected the downturn to last for another one or two years

Food Industry Week (NZ): April 13, 2006

1.5.2 NEW ZEALAND: PHOSPHAGENICS AND NESTLE TO CO-DEVELOP PHOSPHA E FOR FOODS & BEVERAGES

Phosphagenics entered into a research agreement with Nestle Nutrition to develop Phosphagenics' Phospha E for use in Nestle Nutrition's products. Under the agreement, Nestle will contribute some of the funding towards a full dose-response preclinical study of Phospha E, before full scale evaluation of the product in humans. In return, Nestle has obtained an option to license Phospha E for its use in nutritional products that target the prevention and treatment of metabolic syndrome.

Aspect Huntley Pty Ltd.: April 28, 2006

1.5.3 AUSTRALIA: AUSTRALIAN OLIVE OIL MARKETER PLANS TO ENTER US MARKET

Olive oil marketer Piquant Blue Ltd plans to launch into the lucrative US market by the end of the year, drawing on demand for "brand Australia" in the biggest market for the product behind Europe. The company, which markets top-selling extra virgin olive oil brand "redisland" to about 1,400 supermarkets and other stores in Australia, has begun shipping stock to the US as talks advance with several US retailers. Managing director said the company should have more stores selling its oils in the US, a market 10 times the size of Australia, than locally by the end of the year.

Asia Pulse: April 17, 2006

2. PERSONAL CARE

2.1 GREATER CHINA: HK, CHINA AND TAIWAN

2.1.1 CHINA: HIGH NUMBER OF COSMETIC-RELATED ALLERGIES IN CHINA

Findings from a report by the Beijing Ministry of Health (MOH) show that over 800 imported and 1,200 China-made cosmetics cause allergic reactions, with sunscreens having the highest incidence of reported reaction. Sunscreen lotions followed by anti-freckle creams were the worst culprits for causing allergic reactions. The MOH report blamed inappropriate ingredients and poor manufacturing conditions. It also said some consumers may be misled by manufacturers as to the benefits of their products, inadvertently directing them towards the wrong product type. China has seen a surge in demand for cosmetics in recent years, creating a boom in cosmetic manufacturing. The value of China's cosmetics in 2005 exceeded \$21.7 billion, which equates to an annual growth rate of 15%. By 2010, the industry is expected to be worth approximately \$36 billion.

Datamonitor: April 10, 2006

2.1.2 CHINA: COLGATE'S CHINA MARKET SHARE AT 35%, UP FROM 32%

Colgate-Palmolive Co.'s share of the Chinese market is at 35%, up from 32% at the end of 2005, the company said in a conference call with analysts and investors. The New York consumer goods company's market share in China is second only to that of rival Procter & Gamble Co.

AfxAsia Newswire - Global: April 26, 2006

2.1.3 CHINA: SEPHORA TO HELP CHINA'S HERBORIST-BRANDED COSMETICS GO ABROAD

Herborist, a high-end cosmetics brand owned by Shanghai Jahwa Group, will be seen at the shelves in Europe and the US. Sephora, the cosmetic arm of the world's largest luxury goods retailer LVMH, will help Herborist branded products, which are beauty care products made by the Chinese herbs with modern biology technology, to go outside of China.

www.tmcnet.com

2.2 KOREA & JAPAN

2.2.1 JAPAN: JAPAN'S KAO YR TO MARCH NET PROFIT FALLS FOR 1ST TIME IN 8 YRS ON RISING COSTS

Kao Corp, Japan's leading maker of toiletries, reported its net profit fell for the first time in eight years in the year to March 2006 due to surging procurement costs, along with a special charge related to the acquisition of Kanebo Cosmetics. In the past fiscal year net profit fell 1.4 pct to 71.1 bln yen, while revenue rose 3.7 pct to 971.2 bln yen. Kao announced last December that it would buy Kanebo Cosmetics from the Industrial Revitalization Corp of Japan (IRCJ) for about 279 bln yen. The deal entailed the direct purchase of an 86 pct stake in Kanebo from the IRCJ for 263.4 bln yen

and the acquisition of an additional 14 pct from Kanebo Co Ltd, a struggling maker of home products, for 15.6 bln yen. Meanwhile production costs in the past fiscal year rose 5.7 pct, cutting operating profit by 1 pct to 120.1 bln yen. Current profit tumbled 2.7 pct to 121.9 bln yen.

AfxAsia Newswire - Global: April 24, 2006

2.2.2 JAPAN: FUJI KEIZAI RELEASES REPORT ON JAPANESE COSMETICS MARKET

Tokyo (JCN) - Japanese market researcher Fuji Keizai has published a report on the Japanese cosmetics market. From January to March, the company surveyed use of 9 skincare items and 7 fragrance items. According to the report, the market for skincare products reached 973.8 billion yen (US \$8.2 billion) in 2005 and is expected to grow to 990.6 billion yen (US \$8.4 billion) in 2006. The market for fragrance products was 37.4 billion yen (US \$317 million) in 2005 but is likely to shrink to 36.0 billion yen (US \$305 million) in 2006. While sales of skincare products remain strong due to growing demands for anti-aging and whitening products, competition in the fragrance sector is intensifying with an increasing number of imports.

www.japancorp.net

2.2.3 JAPAN: TAXI COSMETICS ENTERS JAPAN

UK niche-cosmetic brand Taxi Cosmetics (London) has brought its Taxi London brand's Passenger line to Japan with local distributor Asty Inc as of late March. It is the first time Taxi Cosmetics is present in Asia. The distribution deal is the fruit of a successful meeting of the brand and distributor at Cosmoprof Asia in Hong Kong last year. Nine of the Passenger line's 29 skus can be found at 100 Sony Plaza stores throughout Japan. The Japanese market will become an important 'launch pad' for Taxi Cosmetics in Asia, says founder and director of Taxi Cosmetics (London) adding that the company is in negotiations with retailers in Hong Kong, the Philippines and Vietnam. The products in Japan are priced at ¥1,365/\$11.53 for the lip-glosses and ¥1,470/\$12.43 for the mascara.

www.cosmeticnews.com

2.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

2.3.1 THAILAND: NU SKIN SALES GROW 8%

Nu Skin Enterprises (Thailand) recorded sales growth of 8 per cent year on year in the first quarter, helped by the launch of three new products and the opening of the company's first Nu Skin Express Centre, said general manager Pakapun Leevutinun. The company expects sales to increase at least another 5 per cent this quarter, helping it to achieve growth of 5-10 per cent for the year. Pakapun said the first-quarter growth was higher than the company had expected. The opening of the first Nu Skin Express Centre, in Phitsanulok province, where members can order and receive products more conveniently, helped the figures. Other express centres will open soon in Ubon Ratchathani and Nakhon Si Thammarat, each costing Bt500,000. Indonesia and Malaysia will soon see their own express centres. Three new products - Nu Skin 180 New Formula, TRA Shake, and Celtrex CoQ10 - also contributed to the rise in sales. Nu Skin will launch six

additional new personal-care products: a wrinkle-removing cream and five dietary supplements. For this quarter, it will launch two new health drinks containing its G3 supplement, plus the Tru Face Instant Line Corrector cream. Nu Skin will go on the road with its Nu Skin Scan Thailand mobile anti-oxidant check-ups, featuring biophotonic-scanner technology. The Company also sponsors "Nu Place", which debuted on March 9 on UBC channel 9. The show features health and beauty tips.

The Nation: April 28, 2006

2.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

2.4.1 INDIA: SHAMPOOS BIGGEST GROWTH SEGMENT IN RURAL INDIA

Shampoos are the biggest growth segment in rural India says market research. Use of shampoos in rural areas has increased from 13 percent in 2000 to 31.9 percent in 2005. Penetration of skin-and-face cream category has gone up to 18 percent. Packaged oils have increased the penetration by five percent and biscuits have increased by 15 percent. Penetration of utensil cleaners has gone up by 40 percent in the last five years. Penetration of colour television has gone up by 200 percent and that of motorcycle has gone up by 77 percent.

Business Line: April 13, 2006

2.4.2 INDIA: CAVINKARE IN GLOBAL BIZ PUSH

CavinKare is planning aggressive growth in international business for food and personal care products. The company has scaled up investment at its new facility at Haridwar in Uttaranchal. In 2005-2006, the personal care division accounted for Rs350-crore sales and the international business, for the first time, grew 65 percent to Rs25-crore. CavinKare expects the topline to be Rs565-crore in 2006-2007. CavinKare has set up subsidiaries in Indonesia and Bangladesh for selling personal care brands like shampoos, fairness cream, deodorant and talc and hair dyes. The company has also appointed the country manager for Saudi Arabia. CavinKare is now looking at opportunities in Sri Lanka, West Asia, Egypt, Malaysia and Nepal and is gearing up for a big entry into the United States by end-2006.

Economic Times: April 05, 2006

2.4.3 INDIA: BEAT THE HEAT

Heinz has launched its new natural Nycil Cool Herbal in a 40 gm mini pack. The easy-to-carry pack helps you beat the heat wherever you are. The pack is priced at Rs.15 (150 gm is priced at Rs.45) and can easily be carried in a daily travel bag. The unique herbal formulation contains the natural goodness of neem oil and pudina. Neem, known for its antibacterial and anti-fungal properties, finds extensive application in skin formulations. Pudina with its cooling properties helps in the treatment of itching, associated with prickly heat. The talc also contains 51 per cent Mhakya Satva, which absorbs sweat and keeps skin dry.

Hindu: April 20, 2006

2.4.4 INDIA: PAMPERS SKIN

VVF, manufacturer of personal care products, has launched a skin care soap, Shiff, with skin nourishing moisturisers and anti-bacterial prop-shiff; erties. The 75”gm Shiff pack is priced at Rs.12. The soap contains no animal fat and is not tested on animals. It not only provides adequate moisturisers but also protects the skin against bacteria. The product is available across the country at all retail outlets.

Hindu: April 20, 2006

2.4.5 INDIA: ARMANI PLANS INDIA ENTRY WITH FOUR STORES IN 2007

Finally, there is a timeline for one of the world's greatest luxury brands to enter India. Giorgio Armani will set up shop in India latest by mid 2007, with four stores in two cities, Mumbai and Delhi. The two brands will be Giorgio Armani and Emporio Armani. Commercial director, Emporio Armani confirmed to ET that the world-famous brand will enter India. As far as price lines go, sources say they would like to keep it on par with Dubai if not Italy (which is 10% cheaper).

Economic Times: April 21, 2006

2.4.6 INDIA: HEADY WHIFF

Oriflame India has launched Nomadic Him Edt for men and Her Bdt for women. Qriflame's Nomadic Him Edt is an expression of masculine self-confidence with blend of labdanum, citrus, ginger, musk oil and patchouli. Nomadic Her Edt is an expression of feminine individuality with blend of fresh citrus, aura of incense and jasmine, enigmatic notes of cedar wood and musk. Oriflame's Nomadic is priced at Rs.1,290/- for 50ml bottle and is available through Oriflame consultants.

Economic Times: April 12, 2006

2.4.7 INDIA: ELEGANCE EXTRAVAGANZA

Lissome Cosmetics has launched the Eleganz Brand for elite-class working women which includes Lipstyles, Xclusive Special Effects foundation and Eleganzj Nailstyles Available in a wide range of shades, Eleganz lip-styles are priced at Rs110 and Eleganz nail styles are available at Rs40 for 8 ml bottle.

Economic Times: April 26, 2006

2.4.8 INDIA: MODI REVLON LAUNCHES SKINCARE COSMETICS RANGE

Diversifying its product portfolio, cosmetic company Modi Revlon Pvt. Ltd. launched its skincare range 'Reveal' recently. With the launch of the range that comprises nine products, the company is targeting a 20 per cent share of the Rs.70-crore premium cosmetics market, which comprises around 4 per cent of entire skincare industry, by 2007. The new range, targeted at 30-plus women, is priced at Rs.300-750. The Rs.1,500-crore skincare industry in India is growing at eight per cent per annum and anti-ageing products account for 25-30 per cent of the total market.

Business Line: April 27, 2006

2.4.9 INDIA: GERMAN COSMETICS BRAND EYES INDIAN MARKET

German cosmetics major Art Deco is eyeing the fashion conscious in India to widen its consumer base here and is in talks with retail chains such as Shoppers Stop, Westside and Lifestyle to strengthen the brand. The company, currently, has 10 points of sales in the country, four of which is in Delhi, four in Mumbai and one each in Bangalore and in Hyderabad. It also has plans to set up 20 more points by this year-end, he said. In two years time, Art Deco would have 10 such exclusive outlets across the country, he said, without divulging company's investments on those projects.

Economic Times: April 17, 2006

2.5 PACIFIC: AUSTRALIA & NEWZEALND

2.5.1 AUSTRALIA: MECCA BECKONS FOR LUXURY LOVERS

Jo Horgan founded Mecca Cosmetica, a chain of 16 upmarket cosmetics stores. Horgan sold her house to finance her first store, which opened in Toorak Road, Melbourne, in 1997. She travels the world seeking good-quality beauty products. The average price of the goods sold at Mecca is about \$A55. Mecca has 100 staff and is estimated to be worth over \$A100 million. The chain's stores feature large counters loaded with make-up kits and booths in which customers can try on make-up. Horgan has also launched a mail order service and Mecca Manicures

My Business: April 05, 2006

2.5.2 AUSTRALIA: BARGAINS ARE HEAVEN SCENT

A perfume price war is causing a stink in the industry, but leaving consumers with the smell of success. A growing number of discount stores is selling the same fragrances for only slightly more, or even cheaper, than they can be bought duty free - and significantly less than they cost at department stores. Fragrances have been available at low prices since the late 1990s, but the big discount stores are only now beginning to challenge small upstarts such as The Perfume Connection. Kmart jumped into the market about a month ago with prices up to 40 per cent lower than those of its stablemate Myer. Discounted perfumes are also for sale at Price Attack, Priceline, Cosmo Cosmetics and online. Target plans to introduce a limited range of popular brands this year. The Perfume Connection has sold discount perfume for more than a decade, and it persuaded the Government to deregulate the market and allow retailers to order perfumes directly from wholesalers overseas. Previously, department stores and local distributors dominated the market. This has prompted established players to lower their prices.

Sydney Morning Herald - April 18, 2006

ON THE SHELVES: Sales of L'Oreal men's' products grew by 17.8% in 2005 - far outstripping total group sales growth of 6.5% The Company estimated more than 20% of European men now use skin care products, compared with 4% in 1990. In South Korea the figure is higher than 80%, it said.

3. FOOD / LIQUOR & BEVERAGES

3.1 GREATER CHINA: HK, CHINA AND TAIWAN

3.1.1 CHINA: MENGNIU TO BOOST BRAND AWARENESS WITH DISNEYLAND DEAL

China Mengniu dairy says it has been named the sole dairy supplier to Hong Kong Disneyland, as well as the American entertainment park hotels. The Chinese dairy said the contract will give it access to the international market, with a high number of foreign tourists passing through. Its new partnership with Hong Kong Disneyland will also see it sponsor some of the kiosks and food and beverage vendor carts found throughout the park, with further joint marketing initiatives to come.

Novis Food&Beverage New: April 25, 2006

3.1.2 CHINA: ASAHI REACHES BEYOND BEER IN BID FOR BABY-FOOD MAKER

Asahi Breweries Ltd, Japan's second-largest beer producer, offered 47 billion yen (US\$406 million) for Wakodo Co, the nation's biggest baby-food maker, to reduce a reliance on alcohol as beer sales slow. The maker of Super Dry beer and Nikka whiskey bid 7,900 yen a share for Wakodo, 47 percent higher than the closing price, Tokyo-based Asahi Breweries said in a statement. Daiichi Sankyo Co, Japan's second-largest drugmaker, said it agreed to sell its controlling 59.5 percent stake in Wakodo. Asahi Breweries gets 72 percent of its sales from alcohol, compared with about 62 percent for larger rival Kirin Brewery Co. Wakodo, which makes Gerber baby food, also produces skin lotions as well as powered milk, cocoa and coffee.

Shanghai Daily: April 25, 2006

3.1.3 CHINA: CHINA'S ICE CREAM CONSUMPTION FAR LOWER THAN US: SURVEY

According to a survey conducted by Wall's, a leading ice cream producer, China's average annual ice cream consumption is only one litre, far below the average of 23 litres in the United States. Wall's (China), a subsidiary of Unilever, announced the result of the survey in Shanghai recently. An official in charge of ice cream business in China said that China's ice cream sales have maintained an average annual growth of 10 per cent, posing a big potential market.

Asia Pulse: April 24, 2006

3.1.4 HONG KONG: PROFITS FALL AT LEADING NOODLE MAKER

The world biggest instant noodle maker, Indofood, said that its 2005 net profit fell 68 per cent on the prior year to IDR124 billion (€11.4m). It blamed the decline in profits on one-time charges of IDR386.95 billion that included losses on currency swap transactions. Indofood's margins were also hit by high energy and raw material costs, lower crude palm oil prices that affected its edible oils and fats activities, and a promotion for the noodles business giving consumers one free' with every five packs purchased. The operating margin decreased to 8.9 per cent compared with 11.7 per cent in 2004. The company did see organic sales growth however, with the Bogasari flour business helping it boost turnover for

2005 by 5 per cent to IDR18.8 trillion. Sources said the group will continue streamlining, reorganizing and reengineering its operation in 2006, particularly its distribution system, to improve performance.

Novis: April 01, 2006

3.1.5 HONG KONG: CADBURY CLOSE TO ACQUIRING DR PEPPER/SEVEN UP BOTTLING GROUP

Cadbury Schweppes is close to acquiring the Dr Pepper/Seven Up Bottling Group, the largest independent bottler in the US, from the Carlyle Group, a US private equity group, The Financial Times reported. In its online edition, the newspaper said the third-biggest soft drinks manufacturer in the US with a 17 pct share may pay close to 535mln usd for Carlyle's stake. Cadbury already holds a 45 pct share of the bottling company, with most of the rest held by Carlyle. The report said Cadbury refused to comment on the planned acquisition, which is expected to announce shortly. It added that Cadbury wants to have a greater control over the distribution of its US soft drink brands with some analysts saying the acquisition may make it easier for it to spin off its US beverages arm and use the cash to focus on confectionery.

Afxasia: April 24, 2006

3.2 KOREA & JAPAN

3.2.1 KOREA: SOUTH KOREA'S ORION BEGINS WORK ON SNACK FACTORY IN VIETNAM

South Korean snack maker Orion Corp. broke ground for a confectionery factory in Vietnam, targeting markets in Southeast Asia, the company said. Once completed in October next year, the factory is expected to produce US\$40 million worth of snacks a year, Orion said. Its products will include Orion's flagship product, Choco Pie, a chocolate-covered marshmallow pie. Orion's Choco Pie had a 60 per cent share of Vietnam's pie market as of August, with annual revenue of \$7 million. Orion opened a Vietnamese subsidiary, Orion Food Vina Co. Ltd., in October with an initial investment of \$26.5 million. The company has been operating four subsidiaries in China and in Russia. Orion Corp., formerly Tong Yang Confectionery, is the holding company of a group whose business lines include confectionery, hospitality, retail and entertainment.

Asia Pulse: December 02, 2005

3.2.2 KOREA: CADBURY BOTTLES UP DR PEPPER/7-UP

Britain's Cadbury Schweppes PLC, the world's third-largest soft drinks group, has bought control of the Dr Pepper/Seven Up Bottling Group, for \$353 million. Buying a 55 percent stake in the largest independent U.S. bottler, from the Carlyle Group, gives Cadbury greater control over distribution of its U.S. soft drink brands, which include Dr Pepper and Snapple, the Financial Times reported. Some analysts say that combining its manufacturing and distribution operations may also make it easier for Cadbury to spin off its U.S. beverages and use the cash to fund candy acquisitions.

Korea Times: 25 April, 2006

3.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

3.3.1 THAILAND: US-BASED SWEETS MAKER CADBURY ADAMS TO MAKE THAILAND EXPORT BASE

After 40 years of sweet making in Thailand, the US-based manufacturer of Halls sweets, Cadbury Adams, has set a five-year target to build the country as an export base throughout the Asia-Pacific, The Nation reports. The company hopes to increase the ratio of its export from the current 20 per cent of sales to 40 per cent in the next four to five years. Cadbury Adams has factories in Australia, Japan, China, Malaysia, Indonesia and India. Anat said the Malaysian operation concentrated on chocolate and India focused on powdered drinking chocolate, while Thailand made sweets.

Thai News Service: April 07, 2006

3.3.2 PHILIPPINES: FIORGELATO LICENSEE TARGETS AT LEAST 12 NEW BRANCHES IN 2006

Italian ice cream brand Fiorgelato is eyeing to open at least 12 new branches this year through franchise agreements with private investors, the top official of its sole Philippine licensee told Business World in a recent interview. Milkin specializes in fine dining restaurants and food chains. Its business includes Italian ice cream parlor Gelateria & Pasticceria, ice cream manufacturer Designer's Ice Cream Company brands and Fiorgelato Cafe, which sells specialty coffee and premium ice cream.

Business World: April 07, 2006

3.3.3 MALAYSIA: NESTLE MAY RAISE PRICES OF PRODUCTS

FOOD giant Nestle (Malaysia) Bhd warned again that it may rise the prices of its products this year to offset higher costs brought about by rising raw material prices and unfavourable exchange rates. It raised the prices of its dairy products during the first quarter last year by some 4-5 per cent. Prices of its top-selling beverage, Milo, were raised by some 10 per cent last year. Managing director said while a rise is unlikely in the next three months, he was unable to give an assurance that prices will remain unchanged throughout the year. Nestle's net profit for its first quarter to March 31 2006 was 14.8 per cent lower at RM69.9 million compared with RM82.1 million in the previous corresponding period. Revenue for the quarter was higher at RM825 million from RM764 million previously.

Business Times: April 28, 2006

3.3.4 VIETNAM: MORE COFFEE BRANDS HIT THE MARKET

More and more instant coffee brand names are appearing on the shelves of shops and supermarkets in Vietnam, throwing out a challenge to established players already with a strong foothold in the market. While Doan Trieu Nhan, vice Chair of the Vietnam Coffee and Cocoa Association (Vicofa) is right in saying it's a good sign for consumers and coffee growers in the country, problems with suppliers have raised questions over the sustainability and competitiveness of the new brand names, and even that of the more established names.

Intellasia News: April 27, 2006

3.3.5 THAILAND: COOLING TREATS FOR SOARING TEMPERATURES

GFA Corporation (Thailand) Ltd is offering premium ice cream at the Cream and Fudge Factory. More than 20 flavours and 40 types of toppings, including nuts, fruits, candies and fudge are available. The Cream and Fudge Factory has branches at Siam Paragon, Future Park Rangsit and Seacon Square as well as Market Village and Sailom Pavilion in Hua Hin.

The Nation: April 27, 2006

3.3.6 THAILAND: ICE CREAM MAKER CHOMTHANA TO INCREASE PRICES

Chomthana Co Ltd, which makes the Cremo ice cream brand, plans to increase its retail prices to cope with rising costs, The Nation reports. Distribution manager said Chomthana and other local ice-cream-makers will soon raise prices by up to 10 per cent to offset rising costs, mainly from oil, milk and sugar. Jirasak said the company would spend more than Bt50 million to increase by 5,000 the number of refrigerators it has in retail outlets around the country. Its aims to maintain its growth rate of 25 per cent

Thai News Service: April 24, 2006

3.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

3.4.1 INDIA: SANWARIA AGRO LAUNCHES VALUE ADDED PRODUCT SOYA LECITHIN

The Bombay Stock Exchange Limited (BSE) made the following corporate announcement: Sanwaria Agro Oils Ltd., has informed BSE that the company has launched its new value added product Soya Lecithin into the nationwide market used mainly by confectionery, paints, explosives, aquia/poultry feed, inks, ice cone manufacturing industries as emulsifying agent. By this launching, the company has taken first step towards moving up on value addition ladder and conversion into an FMCG and retail business company. This will further enhance retail presence of the company.

Hindustan Times: April 06, 2006

3.4.2 INDIA: SOFT-DRINK MAKERS GO THE INDIAN WAY

Agra The market for ice-creams in India exceeds Rs 750 crore annually. For soft drinks, ice-creams, other beverages, and milk-based products, the period between March and October accounts for as much as 85 per cent of annual sales, and with the summer lasting 7-8 months each year, the demand for ice-creams and other "cool stuff" including soft-drinks has rarely shown a slack over the past few years. But over the passage of time, the demand for milk-based Indian soft-drinks like lassi and salted curd (chhach) too is beginning to emerge as a burgeoning market that the soft-drink and ice-cream manufacturers seek to capture.

Business Standard: April 18, 2006

3.4.3 INDIA: SANCHI ICE CREAM LAUNCHED

The ice cream lovers of the City can now add another brand to their choice - Sanchi Ice Cream. Bhopal Sahakari Dugdh Sangh Maryadit, who is already serving consumers with a wide range of milk products, introduced ice creams in the local

market in four different flavours. Available in 50 and 100 ml packs, the flavours launched are vanilla, strawberry, butterscotch and keshar-pishta. The 50 ml packs have been priced at Rs 5, whereas the 100 ml ones are available at Rs 10 and 15. The Dugdh Sangh has plans to come up with several other flavours in due course.

Hindustan Times: April 08, 2006

3.4.4 INDIA: RELIANCE BRAND MANGO ALL SET TO HIT MARKETS

A "Reliance brand mango" is all set to hit the markets. The refinery and the petrochemicals giant are already producing the delicious fruit at its compensatory forestry project on the periphery of the Asia's largest crude oil refinery in the western coast of Jamnagar in Gujarat. It marketed over 350 tonnes of mangoes last year mixed with other famous "Kesar" variety of the Saurashtra region and through the traditional market channel. Success has encouraged the company to consider coming out with its own brand of mangoes and market it through its own channel. Reliance was required under law to create a green belt of about 700 acres around the 33 million tonnes capacity refinery located on 7,500 acres in Moti Khavdi, about 30 km from Jamnagar.

Hindu: April 03, 2006

3.4.5 INDIA: COOL TREAT

Kellogg's has launched Chocos Ice Age Adventure, a limited edition pack featuring the popular characters in the film Ice Age 2 - The Meltdown. The packs of 700 gm and 375 gm will be available in stores for Rs200 and Rs120 respectively for about two months. With the larger pack, ice sliders will be given out; the smaller ones carry ice candy makers.

Business Line: April 20, 2006

3.4.6 INDIA: NOUVEAU DIETETIQUE UNVEILS LAUNCHES A DIET CHOCOLATE VARIANT CALLED CHOCOLITE

Nouveau Dietetique Ltd. of Chennai, a manufacturer of diet food products, has launched a product called Chocolite, targeted at diabetics. Chocolite is a diet chocolate variant containing maltitol, a reduced calorie bulk sweetener in place of sugar. The product has been launched in Chennai and will be introduced in Bangalore and Hyderabad within the next two months and in Delhi, Mumbai and Kolkata by Jul 2006. Chocolite is priced at Rs27.50 for a 30-gm bar.

Business Line: April 15, 2006

3.4.7 INDIA: CANDICO ROLLS OUT MINT CANDIES

Candico has unveiled a new range of hard-boiled mint candies in India. The mint candy has been launched under the XXX brand at a price of 50 paise apiece. Market research shows that the mint candy category is the highest growing segment in the industry.

Business Line: April 5, 2006

3.4.8 INDIA: LEBANESE CHOCOLATE MAJOR PATCHI BID TO PUSH SALES

Lebanese chocolate maker Patchi s.a.l., having a presence in nearly 30 countries across the globe, has sought to leverage upon local festivals and cultural and social events to push sales of its product offerings in different geographies in India.

For now, the chocolate maker has zeroed in on Poila Baishakh to promote sales of Patchi chocolates in Kolkata, one of the two cities in India — the other being Mumbai — where it has exclusive outlets. As part of the Bengali New Year celebrations, Patchi has on offer chocolates in customised packages. Patchi chocolates, which are manufactured on Swiss technology, are eggless and gelatine-free. The Patchi range in India comprises over 60 different products priced at Rs.1,000-3,000 a kg.

Hindu: April 24, 2006

3.4.9 INDIA: FRUIT NECTAR FROM INDAGE

Indage group has launched fruit nectar under the brand name Leh Berry. The juice is extracted from Seabuckthorn. Food products like sauces, cheese and pickles will reach the market by the year-end, said regional manager of the group. The group has earmarked Rs.8-crore to promote Leh and Seabuckthorn-based products. Seabuckthorn, mixed fruit, pineapple, apple, orange, apple peach and black currant fruit nectars are being marketed by the group.

The Hindu: April 18, 2006

3.5 PACIFIC: AUSTRALIA & NEWZEALAND

3.5.1 AUSTRALIA: FONTERRA DRIVES DAIRY CATEGORY GROWTH

Sources at Fonterra Brands, says the co-operative is Australia's leading cheese company. O'Brien says Fonterra commands 27.9 per cent of the cheese market, in which it has been recording 11.6 per cent value growth. Leading Fonterra brands such as "Bega" and "Mainland" have been growing strongly. O'Brien says convenience is a major driver of growth in the cheese category. He describes the willingness of Australian retailers to invest in category initiatives as "less than ideal". O'Brien reveals that Fonterra processes 21 per cent of Australia's milk

Retail World: April 06, 2006

3.5.2 AUSTRALIA: EXTENSIONS FOR A BIGGER FAMILY

Consumer goods companies are becoming increasingly reluctant to launch new brands due to the risks involved. As a result, more and more of them are launching what are known as brand extensions, whereby they fix an existing brand name to a new product. Coca-Cola Blak, which is about to be launched in the US by the Coca-Cola Company and which is being described as a new energy drink, is an example of a brand extension. Martin Lindstrom, who is highly regarded as a branding expert, cites Armani as an example of a company that has gone into brand extensions in a big way, with there being Armani chocolates, furniture and flowers as well as the traditional Armani clothes

ABIX: Australasian Business Intelligence: April 20, 2006

3.5.3 AUSTRALIA: SNACK ATTACK

The Australian flavoured snacks sector grew by 2.7 per cent in the year to March 2006, according to market research. The biggest selling products in the \$A140 million sector are Arnott's "Shapes", with a 64 per cent market share, followed by Nabisco's "In a Biskit" and Sakata's "Snakatas". "Shapes" is the biggest selling of all Arnott's products, and was

ranked at 43rd position among the top 100 Australian grocery brands in 2005. Its sales in the year to February 2006 totalled \$A89.6 million. Three new "Snacks" varieties, marketed as "Flavours of the World" were recently launched.

Ad News: April 27, 2006

3.5.4 AUSTRALIA: BASKIN-ROBBINS GETS A MAKEOVER

Allied Brands has announced a remodelling of its Baskin-Robbins ice cream chain in Australia. The remodelling, which has already been tested with success in the US, includes a slight change to its pink logo, as well as creating greater sense of theatre in terms of store atmosphere. Meanwhile, while Allied Brands having failed in its attempt to acquire Retail Brands, the owner of the Wendy's chain, in late 2005, the CEO of Allied Brands, says it is keen to pursue other acquisitions, initially in the ice cream sector

Inside Retailing: April 06, 2006

3.5.5 AUSTRALIA: BUDERIM GINGER EXPECTS BOOST IN NET PROFIT

The world's largest manufacturer of confectionary ginger, Buderim Ginger Ltd, believes the pain of its restructure last year is behind it and there will be a boost in earnings in 2006. Buderim chairman John Ruscoe told shareholders that the company was determined to build on last year but he declined to give a specific profit forecast.

Australian Associated Press: April 28, 2006

3.5.6 AUSTRALIA: FERNDALE ENTERS SAVOURY MARKET WITH A CRUNCH

Australians spend more on savoury snacks than on sweet ones, they are offered confectionery rather than savoury snacks at "key impulse sites". He thinks the recent launch of "Tuff Nuts" will create new opportunities for impulse sales. Ferndale will begin a \$A3 million advertising campaign for "Tuff Nuts" in April 2006

Retail World: April 20, 2006

3.5.7 AUSTRALIA: BISCUIT A LIFE SAVER

Milk biscuits developed by Australia's dairy industry have high nutritional value. The biscuits have 9.1g protein and are fortified with vitamins and minerals. Nasra took the biscuits to Ethiopia where 145 children, aged six to 10, ate five biscuits a day in a program sponsored by the Geoffrey Gardiner Dairy Foundation

Abix News: April 19, 2006

3.5.8 AUSTRALIA: GRIFFIN'S FOODS GOES TO PACIFIC EQUITY PARTNERS

Pacific Equity Partners has paid nearly \$A340 million for Griffins Foods. Parent group Danone Asia placed the New Zealand snack and biscuit manufacturer on the market in December 2005 in order to concentrate on the higher-growth Asia Pacific biscuit markets. Griffins Foods is thought to make close to \$A3.4 million in operating profits from its annual net sales of \$A150 million. Its well-known biscuits include "Toffee pops" and "Gingernuts"

Abix Industry News: April 11, 2006

3.5.9 AUSTRALIA: DANONE SELLS NZ BISCUIT MAKER TO FOCUS ON ASIA

Danone, the world's number two biscuit maker, is to sell its biscuit business in New Zealand, Griffin Foods, to concentrate on higher growth markets in the region such as China, India and Indonesia. The French group said that it had agreed to sell Griffin to Australia's Pacific Equity Partners for around NZ\$385 million (€194m). Griffin is New Zealand's biggest cookie manufacturer and number two in the savoury snacks market with its Eta brand. But Danone is currently seeing much faster growth in other Asia-Pacific markets. A spokeswoman at the firm said it had seen turnover at its biscuit business grow by 30 per cent in Indonesia last year. Sales of all baked goods, including crackers, cookies and breakfast cereals, are rising fast in Indonesia thanks to higher incomes and the large and growing population. And among the even bigger populations of India and China, both markets where Danone claims to be the leading biscuit manufacturer, the company recorded growth of 7 per cent and 10 per cent respectively last year.

www.foodproductiondaily.com

3.5.10 AUSTRALIA: TEENAGERS CONFUSED BY MILKSHAKES WITH A KICK

The National Drug Alcohol Research Centre has released the findings of a study on teenagers' perceptions of alcoholic drinks. The research, which involved 350 people aged between 12 and 30 years, found that most teenagers believe ready-to-drink alcoholic beverages such as Bacardi Breezers are marketed directly to them. In addition, the research found that most teenagers are unable to distinguish between milkshakes and milk-based alcoholic drinks. The findings have prompted suggestions that milk-based alcoholic beverages should be banned

The Sydney Morning Herald: April 03, 2006

3.5.11 AUSTRALIA: SNACKS TAKE A SLICE OF PIZZA PIE

Aztec reports that the \$A116.5 million frozen pizza category has been flat in Australia since 2004. There has been a 3.7 per cent drop in the value of the family pizza segment, which makes up 51 per cent of the market. The premium pizza segment, which comprises 11.9 per cent of the market, has experienced a 21.4 per cent decrease in value. McCain is the leader of the frozen pizza category, ahead of Nestle. McCain's Amanda McMillan reports that the thin crust wood-fired range issued by the company in 2005 has been well-received. McCains and Nestle have both identified opportunities in the snack segment

Retail World: April 20, 2006

3.5.12 AUSTRALIA: WHEY BUTTER FOUND AS MAYONNAISE ALTERNATIVE

Andalusian researchers have produced an alternative emulsion to mayonnaise with whey butter. Researchers from the University of Huelva, the University of Seville, and the Instituto de la Grasa of the Spanish National Research Council (CSIC) and Corporación Alimentaria Peñasanta have produced an emulsion similar to mayonnaise with buttermilk, or whey butter, obtained as a by-product when milk is skimmed. It is a research line resulting from the Spanish PETRI project Buttermilk has a high protein content with important emulsifying properties. This is why mixing this product with oil and water properly; you obtain an emulsion that is similar to mayonnaise.

www.foodingredientsfirst.com

3.5.13 NEW ZEALAND: DANONE SELLS NEW ZEALAND BISCUIT MAKER TO FOCUS ON ASIA

Danone, the world's number two biscuit maker, is to sell its biscuit business in New Zealand, Griffin Foods, to concentrate on higher growth markets in the region such as China, India and Indonesia. The French group said recently that it had agreed to sell Griffin to Australia's Pacific Equity Partners for around NZ\$385 million (€194m). Griffin is New Zealand's biggest cookie manufacturer and number two in the savoury snacks market with its Eta brand. But Danone is currently seeing much faster growth in other Asia-Pacific markets. Sales of all baked goods, including crackers, cookies and breakfast cereals, are rising fast in Indonesia thanks to higher incomes and the large and growing population.

www.foodproductiondaily.com

ICE-CREAM IS CHINESE FOOD! When the famous explorer Marco Polo returned to his homeland of Italy, from China in 1295, he brought back a recipe (among other things). The recipe was a Chinese recipe for a desert called "Milk Ice." However, Europeans substituted cream for the milk, and voila..."Ice Cream." Ice cream has been a hit ever since!

4. CIGARETTE /TOBACCO PRODUCTS

4.1 GREATER CHINA: HK, CHINA AND TAIWAN

4.1.1 CHINA: SUPER THIN PACK TAKES GOLD IN CHINA

China's first super thin cigarette, which was developed by the Nanjing Cigarette Factory in Jiangsu Province, has won a gold medal for its 'fashionable, novel and modern' pack design, according to a report on Tobacco China Online. Mengdu (The Dream Capital) won the prize at an awards competition celebrating China's top 10 cigarette brands in 2005, even though it first rolled off the production line on April 7 this year. The awards were co-sponsored by a number of agencies and more than 40 cigarette brands were in contention for the gold prize.

www.tobaccoreporter.com

4.1.2 CHINA: CHINA'S TOBACCO BUSINESS PREPARES TO GO GLOBAL

The tobacco company in Shijiazhuang began life as a small cog in China's Communist revolution, operating a single production line dedicated to making cigarettes for Mao Zedong and other top leaders in nearby Beijing. Six decades later, the factory in the rough capital of northern Hebei province plays a very different role in the city's life, anchoring a thriving business with an annual output of 127m cigarettes. Bolstered by a recent merger with a one-time rival from another province, the company now called Hebei Baisha Tobacco last year became Shijiazhuang's biggest taxpayer, making it a prize asset for the city government. But now, the company is dedicated to making profits, which are passed on to the central and city governments. China's tobacco industry, the world's largest by a significant margin, is undergoing convulsive change but not the kind their western corporate rivals, besieged by anti-smoking lobbies for decades, have endured. With merged companies such as Hebei Baisha leading the way, the State Tobacco Monopoly

Administration (STMA) is closing scores of factories and slashing the number of brands with the aim of building a more efficient and profitable industry.

Financial Times: April 26, 2006

4.1.3 CHINA: ALTRIA INCOME

Altria Group Inc, parent of the world's largest cigarette maker and Kraft Foods Inc, said first-quarter profit rose 34 percent, lifted by a tax gain and higher Marlboro prices in the US. Net income increased to US\$3.48 billion, or US\$1.65 a share, from US\$2.6 billion, or US\$1.25, a year earlier. The results included 46 US cents in tax benefits.

Shanghai Daily: April 21, 2006

4.1.4 CHINA: REYNOLDS TO BUY CONWOOD, SEEKS SNUFF SECTOR SHARE

Reynolds American Inc, the second-largest US cigarette maker, agreed to buy Conwood for US\$3.5 billion to jump into the smokeless tobacco business. Conwood is the second-largest US manufacturer of smokeless products and has the top-selling Kodiak and Grizzly brands, Winston-Salem, North Carolina-based Reynolds American said in a statement yesterday. Reynolds is trying to hold on to customers switching to snuff brands such as UST Inc's Copenhagen and Skoal. Investors said Altria Group Inc's Philip Morris USA may also enter the US\$3.8 billion-a-year smokeless tobacco market, which is growing about 5 percent a year as workplace and restaurant smoking bans make it harder to light up.

Shanghai Daily: April 26, 2006

4.2 KOREA & JAPAN

4.2.1 JAPAN: JAPAN TO INTRODUCE NEW VENDING MACHINES

In March 2008, the Tobacco Institute of Japan will begin the switch to new cigarette vending machines featuring an age-verification system. A total of 620,000 tobacco vending machines nationwide will be switched to machines that can read "tobacco cards" with integrated circuit chips. Smokers will apply for the cards by filling out an application form and providing documentation of their age. The cards will have the function of prepaid cards, so they can be used to purchase tobacco products.

www.tobaccoreporter.com

4.2.2 JAPAN: JAPAN TOBACCO PRODUCES MARLBORO - ONE OF THE BEST SELLING BRANDS IN THE CIGARETTE MARKET

Research and Markets has announced the addition of Tobacco Japan 2006 to their offering. Tobacco Japan 2006 provides the latest data (1995-2006) on the local market and major companies and brands. The report covers key factors that influence the market such as production, distribution and consumption. Japan has one of the largest populations in the Far East, home to 128 million people with around 30 million smokers. Cigarettes dominate the tobacco market made up of local and imported foreign brands. Japan Tobacco is the sole cigarette manufacturer. The company manufactures cigarettes for the domestic and export markets. The company produces Mild Seven, the best-selling brand in Japan.

International brands such as Marlboro and Parliament are popular among smokers. Marlboro is the best selling and most widely available international cigarette brand, in both legal and contraband markets.

www.namct.com

4.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

4.3.1 INDONESIA: INDONESIA RAISES BASE PRICES FOR CIGARETTES

Indonesia's government said it will increase the retail base prices of cigarettes by 10 percent starting April 1, reports Dow Jones. The government is raising the base prices used to calculate excise taxes. Excise tax rates are currently set between 4 percent and 40 percent. Companies can set their prices above or below the base prices. The government last increased base prices in July 2005 by 15 percent. Cigarette excise tax levels were last hiked in 2002.

www.Yahoo.com

4.3.2 VIETNAM: VIETNAM REPORTS 600 MLN SMUGGLED CIGARETTE PACKS EACH YEAR

Some 600 million cigarette packs have been smuggled into Vietnam every year, equaling to 10-15 percent of the country's total production, local newspaper Investment reported. The Vietnam Tobacco Association attributed the high smuggling to high taxes that the country imposes on locally-made cigarettes. The country imposes 55-percent consumption tax and 10-percent value-added tax on cigarettes. Ninety percent of the cigarettes have brands of Jet or Hero with prices of only 2,000 or 3,000 Vietnamese dong (VND) (0.1-0.2 U.S. dollars) per pack. The products, mainly made in Indonesia, have come to Cambodia before being smuggled into Vietnam. While Vietnam still bans to import cigarettes, the neighbor country, Cambodia, is applying a low tariff on the imported products.

www.people.com.cn

4.3.3 INDONESIA: INDONESIAN CIGARETTE CO GUDANG GARAM'S Q1 NET PROFIT DOWN 50%

The country's largest cigarette maker PT Gudang Garam reported a 50 per cent decline year-on-year in net profit to Rp255.78 billion (US\$27.4 million) in the first quarter of this year. Larger operating cost was the main factor causing the decline in net profit, the management of the publicly listed company said in a statement. Its sales rose 4.7 per cent to Rp6.13 trillion but its operating cost climbed higher by 7.7 per cent to Rp4.94 trillion, reducing its gross profit to Rp1.19 trillion from Rp1.27 trillion, the statement said. Its production cost surged 40 per cent to Rp630.78 trillion driven by an increase in sales cost.

Asia Pulse: April 28, 2006

4.3.4 INDONESIA: SAMPOERNA: PROSPERING AMID RULES, REGULATIONS AND ACQUISITION

One year after being acquired by Phillip Morris International, the country's second-largest cigarette producer, PT HM Sampoerna, continues to prosper amid increasing excise taxes and restrictions on smoking in public places. The Jakarta

Post's sources spoke to Sampoerna's president about the acquisition, the company's standing and future challenges.

The Jakarta Post: April 24, 2006

4.3.5 MALAYSIA: CIGARETTE MAKER POSTS HIGHER 3-MONTH EARNINGS

BRITISH American Tobacco (M) Bhd's (BAT) net profit expanded 20 per cent for the three months to March 31 compared with the same period in 2005, and the company expects to improve its profit this year. During the period, BAT net profit was close to RM200 million from RM167 million before. Its managing director said the current year volume will be impacted by the continued growth in illicit trade due to continuous price increases. Illicit cigarette trade currently accounts for 17 per cent of the market share according to a survey commissioned by the Confederation of Malaysian Tobacco Manufacturers. He also said that the impending ban on sales of cigarettes in pack sizes less than 10s is expected to put further pressure on the overall legal industry volume.

Business Times: April 28, 2006

4.3.6 INDONESIA: CIGARETTE RETAIL PRICE HIKE NOT TO REDUCE PRODUCTION

Cigarette producer PT HM Sampoerna has predicted an increase in the retail prices of cigarette will not have a significant impact on the company's production. Sources said the cigarette industry had anticipated the decision to raise the retail prices as the hike happened almost every year. The government has decided to raise cigarette retail prices by 10 percent effective on April 1 in order to increase state revenues from customs and excise.

Antara: April 14, 2006

4.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

4.4.1 INDIA: NOW, A 'HEALTHY CIGARETTE'!

A Canadian researcher has developed cigarettes injected with Vitamin C that don't stain your teeth. The new cigarettes, named VitaCig, have been developed by non-smoker Roger Ouellette, reported the online edition of Daily Mail. Canadian company Vita-C Tobacco is distributing the cigarettes. The 'healthy' cigarettes will be available in about 2,000 outlets in Quebec and, if they prove successful, could be sold across the world, the company claimed. VitaCig is less likely to stain the teeth and create less of smell too, its creator claimed. It was more "beneficial" to health than regular brands because of the vitamin dose, he said. Vitamin C reduced the harmful effects of smoking.

Hindustan Times: April 29, 2006

4.5 PACIFIC: AUSTRALIA & NEWZEALAND

4.5.1 AUSTRALIA: FED: ANTI-SMOKING LOBBYISTS WANT ACTION ON SMOKING

Anti-smoking lobbyists are calling on the world's largest tobacco group to take steps to slow the "tobacco epidemic" as it prepares to split from its parent company. Action on Smoking and Health (ASH) Australia is among more than 100 organisations from 40 countries which have put their name to a statement calling on Philip Morris to be more "socially

responsible". The demand is being made in advance of a break-up of Philip Morris and Altria, one of the world's largest entities. The move would split Philip Morris International, Philip Morris USA and Kraft into three separate companies. The coalition are demanding that the manufacturer supports the Framework Convention on Tobacco Control to curb smoking worldwide and end "all forms of misleading and deceptive conduct" among other measures.

AAP General News: April 27, 2006

SMOKER'S ZONE: The cigarette is actually a carefully-designed product, and designed in such a way, so as to make the smoking process as palatable as possible.

5. HOUSEHOLDCARE/OTHER PRODUCTS

5.1 GREATER CHINA: HK, CHINA AND TAIWAN

5.2 KOREA & JAPAN

5.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

5.3.1 MALAYSIA: SARA LEE MALAYSIA TO BRING IN MORE KIWI PRODUCTS

Sara Lee Malaysia Sdn Bhd, which markets Kiwi shoe-care products, plans to bring in more products under the series to Malaysia once it has identified the opportunities in the local market. Sara Lee Malaysia & Singapore president said it was busy working on evolving its product range to cater to different types of shoes. This brand is about taking care of your shoes, no matter what kind of shoes you wear. As the market develops, and as there is a need in the market, were constantly working on upgrading our product range, he said after Kiwi shoes centennial celebration in Petaling Jaya on April 13. In conjunction with Kiwi's 100th anniversary, Sara Lee Malaysia has appointed 100 cobblers across the country to provide free shoe-polishing service to the public from May 3 to 5. Worldwide, a full range of Kiwi products are sold in 200 countries for leather products, suede and nubuck shoes, sport shoes, and accessories like insole and shoelace. In Malaysia, the products available in the market include Kiwi shoe polish (wax, liquid and sponge), products for sport shoes, shoe white and brushes. Sources added that Kiwi shoes market share in Malaysia was more or less aid. the same

with its worldwide market share of 53%, or are probably higher.

www.theedgedaily.com

5.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

5.4.1 INDIA: HIND LEVER TOLD NOT TO REPEAT AD

The Supreme Court directed Hindustan Lever Ltd not to repeat a controversial advertisement for its toilet cleaner claiming that it was the only such product which can kill germs hundred per cent. However, it can telecast or publish similar ads. Its rival, Reckitt Benckizer India Ltd, had moved the Monopolies and Restrictive Trade Practices Commission against the ad, on which the commission had passed an injunction against the Hindustan Lever. The latter appealed to the Supreme Court. While modifying the commission's order, the court asked the commission to dispose of the case early, preferably within three months.

Business Standard: April 10, 2006

5.4.2 INDIA: ARCHIES' EXCLUSIVE STORE IN KOCHI

Archies Limited has launched its first exclusive large format store in Kochi. Executive director of the company, said plans were on the anvil to open 120 company owned/managed stores across the country over the next two years. The Kochi store will have a shop-in-shop corner, he said, adding that the second retail brand, Stupid Cupid, would focus on fashion accessories and artificial jewellery. The Company has also a vast retail chain with over 425 franchisees across the country. He said that there were plans to open two more exclusive stores in Kerala. The company, a pioneer in the greetings cards and gifting industry, has a market share of over fifty per cent.

Hindu: April 13, 2006

5.4.3 INDIA: HENKEL INDIA TO CAST ITSELF IN NEW MOULD

Henkel India Ltd, a part of Henkel KgaA of Germany, has decided to consolidate its portfolio in 2006 without introducing any new product or brand. The company has decided to focus on innovation in packaging, marketing and product promotion to fight competition in the sector. Henkel witnessed a 16 percent growth in its turnover at Rs409-crore in 2005 and has targeted 20 percent growth for 2006. It has also increased its marketing budget from Rs50-crore to Rs60-crore, and Rs25-crore of this would be used for media advertising alone.

Economic Times: April 18, 2006

5.5 PACIFIC: AUSTRALIA & NEWZELAND

5.5.1 AUSTRALIA: SC JOHNSON MUSCLES IN ON HOUSEHOLD MARKET

SC Johnson appears to be enjoying the same success in the Australian household cleaning products market as it did in the US with Pledge Grab-it. The flexible duster product has helped to revive the previously moribund furniture sub-segment of the household cleaning products to the extent that the sub-segment grew by 17.8 per cent in the year to March 2006.

Other household cleaning products made by SC Johnson include Mr Muscle, Drano, Windex and Duck. The last-named product is growing at a rate of 12.8 per cent

Retail World: April 21, 2006

5.5.2 AUSTRALIA: CATEGORY GROWTH CLEANED UP BY MULTI-PURPOSE, MOULD PRODUCTS

Colgate-Palmolive, with brands such as "Ajax" and "Palmolive", is one of the major players in the Australian household cleaning products market. The market is worth just under \$A183 million and is growing at a rate of 7.1 per cent. Some of the major sub-categories within the market include multi-purpose cleaners, mould cleaners and heavy duty cleaners. The last-named sub-segment is worth \$A29 million but is declining by 2.7 per cent. However, the multi-purpose cleaner sub-category is growing at 22.9 per cent and is valued at \$A58 million Copyright ABIX 2006

Retail World: April 21, 2006

THE HISTORY OF SOAP: A soap-like material found in clay cylinders during the excavation of ancient Babylon is evidence that soap making was known as early as 2800 B.C., which they used for cleaning.

6. MEDIA NEWS

6.1 GREATER CHINA: HK, CHINA AND TAIWAN

6.1.1 CHINA: SHANGHAI TO WARD OFF SEXY ADS

Shanghai, China's largest metropolis, is to set up a citizen advisory panel to prevent advertisers from erecting billboards featuring scantily clad women and other images that might offend local sensibilities. The move follows a series of recent complaints over a huge billboard in the city's commercial Xujiahui area that displayed the bare thigh of a Hong Kong pop star selling skin-care products. The billboard was taken down after authorities discovered that the space had been approved for a public service advertisement and that an improper switch had occurred. To prevent such problems in the future, the Shanghai Industrial and Commercial Administrative Bureau is preparing to set up a council involving residents, legal experts and industry representatives to weed out potentially offensive and misleading advertisements.

Hindustan Times: April 08, 2006

6.2 KOREA & JAPAN

6.2.1 JAPAN: YAHOO JAPAN'S Q4 NET PROFIT JUMPS 26 PCT ON ROBUST ADVERTISING BUSINESS UPDATE

Yahoo Japan Corp, the country's largest online auction operator, said net profit in the fourth quarter to March rose 26 pct from a year earlier, driven by the continued growth of its online advertising business. Softbank Corp owns 41.9 pct of Yahoo Japan while Yahoo Inc of the US has a 33.5 pct stake. Yahoo Japan, also the nation's largest online advertising media, posted net profit of 12.99 bln yen for the quarter, against the year-earlier's income of 10.32 bln yen. Its current profit in the three months to March rose 31 pct to 22.94 bln yen, as revenue increased 31 pct from a year ago to 47.06 bln yen, both record highs. Operating profit jumped 36 pct to 82.1 bln yen, also the highest for any quarter.

AFX-ASIA Pte Limited: April 20, 2006

6.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

6.3.1 INDONESIA: NO MORE CIGARETTES ADVERTISING, PLEASE

Thank you for an upbeat editorial on Jakarta's courageous new decree banning smoking in public places (¶ No smoking, please¶ , April 8). Unfortunately, a golden opportunity to remind the Indonesian public of the need to start a movement leading to the banning of cigarette advertising, especially on television, was at the same time lost. Until this glaring paradox is vigorously addressed, Indonesians will be caught up in a new and bewildering tug-of-war between two officially sanctioned but diametrically opposed sets of persuasive tactics. It is common knowledge why there is a reluctance to tackle the issue: Vast and valuable tax revenues would be lost in the shake-up, as would many jobs in the tobacco industry. Thus, while it is a noble sentiment to hope for the support of NGOs, teachers and parents in this fledgling antismoking drive, it is also the media's responsibility to bring the much greater issue of banning cigarette advertising to the fore on behalf of the public, since no one else's voice is being heard.

The Jakarta Post: April 18, 2006

6.3.2 MALAYSIA: ADEX TO BREACH RM5B WITH IMPETUS FROM WORLD CUP: GROUP

THE Malaysian Advertisers Association (MAA) expects advertising expenditure (adex) to breach RM5 billion this year, or rise by about 7 per cent over that of last year, with impetus coming from the World Cup soccer in June. Even though total adex for the first three months of the year was a little slow, it is expected to grow further in the coming months as consumer campaigns have begun to pick up.

Business Times: April 29, 2006

6.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

6.4.1 INDIA: FMCG'S SHARE IN PRINT ADS DIPS

The share of the fast-moving consumer-goods (FMCG) sector in print advertising has dropped to 12 percent in 2005 (from 13 percent in 2004 and 17 percent in 2003), according to a study by Adex. Consumer durables were the most advertised category within the FMCG sector in the print media in 2005, with a 40-percent share. Food and beverages was the second most advertised subcategory in the print segment. The fastest growing subcategory in terms of advertising in the print media was baby care. The top FMCG advertisers in the print media were LG Electronics, Samsung India Electronics and Hindustan Lever.

Business Line: April 14, 2006

6.4.2 INDIA: FMCG - HIGHER GOVT SPENDING IN RURAL AREAS SEEN HELPING HIND LEVER

The lather is back at HLL. The rural areas showed a good growth for the FMCG major. Higher government spending could be a reason for higher offtake in rural areas. Its sales growth has been aided by higher advertising and promotional expenditure, which is up 45.3% to Rs 303.3 crore in the March '06 quarter.

Economic Times: April 29, 2006

6.4.3 INDIA: NAPPIES RULE THE AD CHARTS

Cola, soap and shampoo may be ruling television commercial charts, but the new kids on the block are — hold your breath — nappies. Advertisement spending on baby care products is growing faster than that on any other kind of consumer goods — though, in absolute terms, they do not bring in as much money as, for instance, food and drink commercials. In newspapers and magazines, the ad spend on these products grew by 165 per cent between 2004 and 2005 — the highest among all groups in the fast-moving consumer goods (FMCG) segment surveyed by AdEx India. It's the same story on television — a rise of 70 per cent, again the highest among consumer goods advertisements. In comparison, the food and beverage category, which includes moneybags like the cola companies, grew only 38 per cent on television. Hair care ad spending grew 25 per cent, personal care/hygiene rose 26 per cent and there was only a nine per cent increase in detergent ads. Baby care is nowhere, though, if one considers its share of the total ad spending — and not the growth rate — on television or in print.

Telegraph: April 21, 2006

6.5 PACIFIC: AUSTRALIA & NEWZELAND

6.5.1 AUSTRALIA: KIDS LISTEN TO CELEBRITIES

Children's purchases are greatly influenced by celebrity endorsements. Nikki Webster and Hillary Duff are popular celebrities among young girls. A new marketing campaign by Sanitarium features the popular children's group "The Wiggles". The breakfast cereals brand manager at the Australian food manufacturer, says that Sanitarium and "The

Wiggles" are similar in that they are moral and ethical and communicate in a positive manner

Ad News: 12 April 2006

6.5.2 AUSTRALIA: ITS UNAUSTRALIAN, MATE

Alls for a ban on junk food advertising have escalated following the release of preliminary findings from a NSW survey of almost 5,500 public school students, which found diet, and not a lack of exercise, was responsible for childrens expanding waistlines. While 80-90% of children in years six, eight and ten were exercising for the recommended hour per day, almost 20% of all students had elevated insulin levels, suggesting that overeating was the culprit. However, Australian Association of National Advertisers executive director Colin Segelov said there was absolute proof that banning junk food ads would have no impact on childrens weight. Quebec has had a ban on junk food advertising for 25 years and they have been left with the same obesity rates as the rest of Canada which is the same as the rest of the world, he said. What we don't want to see is unnecessary, unwarranted and un-Australia censorship of commercial messages.

Reed Business - B & T Magazine: April 28, 2006

THE REPORTER: Number of journalist killed in the six years of World War II from 1939 to 1945 and 20 years of the Vietnam War, from 1955 to 1975: 66 & 68.

7. GOVET POLICY/REGULATIONS

7.1 GREATER CHINA: HK, CHINA AND TAIWAN

7.1.1 CHINA: 826 IMPORTED COSMETICS REPORTED CAUSE OF ANAPHYLAXIS

More than 800 imported and 1,200 China-made cosmetics were reported to have caused allergic reaction in users, reports by the Ministry of Health (MOH) here on April 4. Sunscreen lotions were reported to have caused the most allergic reactions followed by anti-freckle creams. An official with the MOH said that in recent years, China has seen a surging domestic demand for cosmetics and a boom in cosmetic manufacturers both domestic and overseas. Statistics show that the industrial value of cosmetics last year in China exceeded 180 billion yuan (around 21.7 billion U.S. dollars), with an annual growth rate of 15 percent. It is expected to surpass 300 billion yuan (around 36 billion U.S. dollars) in 2010. The ministry's report on allergic reactions said they are mainly caused by inappropriate ingredients and poor manufacturing conditions. Some of cosmetic makers exaggerate the benefits of their products and mislead consumers to choose the wrong product and apply it inappropriately.

China Economic Information Service: April 5, 2006

7.1.2 CHINA: CHINESE FIRMS' INTERESTED IN PORT KLANG FREE ZONE HALAL HUB

Chinese firms involved in the production of halal products, especially halal food, have shown keen interest in the Port Klang Free Zone (PKFZ) Halal Hub as a strategic gateway for the firms to gain access in to the growing Muslim markets

in Asean, Middle East and Europe. Currently Chinese foodstuffs face difficulties in penetrating countries with Muslim majority populations, due to the lack of endorsement by a halal authority. The halal hub houses all the relevant government agencies such as Department of Islamic Development (Jakim), Selangor Islamic Religious Department (Jais) and Sirim Bhd, the national organization of standardization and quality, which will be able to assist companies to obtain the halal certification under Malaysia's Halal Standards MS 1500:2004 which is widely recognized; as well as to facilitate the implementation of the Hazard Analysis Critical Control Point (HACCP), Good Manufacturing Practices (GMP), veterinary inspection and ISO. There will be fast-tracked approvals for local and foreign investors located in the designated halal hub. The halal hub provides facilities for processing raw materials, manufacturing food and beverage, dairy products and non-food products like cosmetics.

MIDA Industry News: April 17, 2006

7.1.3 CHINA: SASA GETS DAMAGES

The Shanghai No. 2 Intermediate People's Court ruled that Shanghai Sasa Cosmetics Co Ltd should pay a compensation of 300,000 yuan (US\$37,500) to Hong Kong-based SaSa International Holdings Ltd for causing unfair competition and infringing the registered trademark of the Hong Kong firm. The court also ruled that Shanghai Sasa Cosmetics should register a new company name within 30 days, which should not include the words "Sa Sa."

Shanghai Daily: April 25, 2006

7.2 KOREA & JAPAN

7.2.1 CHINA: CHINA WATCHDOG CLEARS BENZENE CONTENT OF S KOREAN BEVERAGE

The benzene content in beverage imported from the Republic of Korea (ROK) is within China's required limit, the country's quality watchdog said earlier this week. The result came from sample tests which the State Administration of Quality Supervision, Inspection and Quarantine made in response to media reports that the content of benzene, a harmful chemical substance, in ROK drink product Vita500 was higher than the limit allowed by China. The administration conducted 106 sample tests on 79 kinds of ROK drink products imported by the ten cities of Beijing, Shanghai, Guangdong, Shandong, Liaoning, Jilin, Tianjin, Zhejiang, Ningbo and Shenzhen.

Asia Pulse: May 08, 2006

7.2.2 CHINA: NSW: TOUGHER FINES FLAGGED TO CURB TOBACCO ADVERTISING

Mr Hatzistergos said the government would also require any fixed outlet that sold tobacco products to be registered with the health department.

AAP General News: April 04, 2006

7.3 SOUTHEAST ASIA: SINGAPORE, MALAYSIA, THAILAND, INDONESIA, VIETNAM, PHILIPPINES

7.3.1 THAILAND: CONSUMER - FDA TO CHECK CONTENT OF COSMETICS ADVERTISING

The Food and Drug Administration (FDA) will crack down on cosmetic companies which exaggerate the quality of their products in advertisements. The FDA plans to amend the regulations on cosmetics control to give the agency the power to check messages in the advertisements before producers launch them. FDA secretary-general said the move aimed to protect consumers from exaggerated advertising statements. However, he admitted that the amendment procedure would take a long time. The new rules are expected to take effect in the next two years.

The Bangkok Post: April 29, 2006

7.4 SOUTH ASIA: INDIA, SRI LANKA, BANGLADESH, NEPAL

7.4.1 INDIA: LAWS FAIL TO BUST BOOMING FAKE PRODUCTS RACKET

The manufacture, sale and import of counterfeit products, particularly from China, are on the rise in India despite the country having aligned its intellectual property rights (IPR) laws with global norms. India is fast emerging as one of the major manufacturing hubs of fake products ranging from cosmetics to electronics, software, mineral water, books, music cassettes... the list goes on. What is more alarming is the growth in fake health, childcare and medical products. The problem is so serious, say industry experts, that even detective agencies employed by corporate houses to track and bust counterfeit rackets are alarmed at the increase and size of the operations.

Hindustan Times: April 27, 2006

7.4.2 INDIA: BEER GETS HIGH ON TAX

Those who love their lager aren't going to like this. Beer-makers are busy printing new retail prices on fresh stocks thanks to a hike in excise duty. The end result: a bottle of beer will now cost at least Rs13 more. While the state excise department maintains that the increase in levy is only Rs3 per litre, brewers blame the anomalous duty structure that has a multiplier effect when the bottle reaches the shop shelf. UB has already jacked up the price of its best-selling Kingfisher beer-a 650-ml bottle of the lager that used to cost Rs52 will now cost Rs65. An excise department circular of April 13 says that the duty on mild beer has been increased to Rs15 per bulk litre or 100% of the manufacturing cost, whichever is higher.

Times of India: April 26, 2006

7.4.3 INDIA: TEA BOARD TALKS TOUGH ON NEPAL TEA

The Tea Board may deregister a number of tea estates in Darjeeling shortly. It has come to the notice of the Tea Board that some unscrupulous Darjeeling tea producers are bringing in green leaf from tea gardens in Nepal and selling them in the world market as 'Darjeeling,' thereby "jeopardising the geographical indication value of Darjeeling tea. This has prompted the board to take such a harsh decision. Darjeeling Tea Association received complaints from the Darjeeling

tea producers about this illegal trade of green leaf. Nepal's close proximity to India is making the trading activity much easier. Tea Board had introduced certification of trademark for Darjeeling tea. It had also obtained 'Geographical Indication' after several years of constant persuasion

Economic Times: April 25, 2006

7.4.4 INDIA: ALL FMCG PRODUCTS TO HAVE BARCODES

Seventy five percent of all branded consumer goods in India are compliant with GS1 standards. But post the July 1 deadline decided by the members of Retail Association of India, no supplies in the FMCG sector will be accepted without GS1 barcodes or the 13-digit identity code that gives product details. Even retailers like Shopper's Stop and Apna Bazaar will have to comply with these standards for cost benefits and better inventory management. Supply chain and logistics accounts for 8-10 per cent of operating costs. According to retailers like Wills Lifestyle, Nilgiris, Food World and Pantaloons who are using GS1 barcoding, complying with these standards ensures 15-20 per cent more efficiency in the supply chain. So it's not surprising that players like Reliance and Bharti who are planning to do a retail foray touched base with Arjen Maarleveld during his recent visit to India. Correcting every wrong invoice generated, costs about Rs1000. It's the aim to save such wastage of resources at every node of supply chain that's making these players comply with GS1 standards.

www.KeralaOnline.com

7.4.5 INDIA: IF INDIAN, IT'S NOT SCOTCH

In a development that could jolt the burgeoning liquor industry, the Delhi high court has held that an Indian whisky manufacturer cannot use the words "Scot" or "Scotch" in compliance with WTO regulations. In the first ruling in India relating to the protection of Geographical Indications (GIs) under the WTO-Trips Agreement, Justice agreed that the words "Scot" or "Scotch" can identify whisky produced solely in Scotland and that no domestic manufacturer can use them to market its liquor. The judgement was delivered on a lawsuit filed by the Scotch Whisky Association of the United Kingdom seeking to restrain permanently an Indian whisky manufacturer from using the name "Red Scot" or any other name containing the word "Scot" to sell its product. While decreeing the suit exparte, the court directed Golden Bottling Ltd., operating from Delhi and Alwar in Rajasthan, to pay damages of Rs5 lakhs to the UK-based Scotch Association and its members for passing off its whisky as Scotch whisky.

Asian Age: April 24, 2006

7.5 PACIFIC: AUSTRALIA & NEWZELAND

7.5.1 AUSTRALIA: RELAX; IT'S COVERED BY HEALTH INSURANCE

The Australian Government has expanded the number of services that can be covered by private health insurance. The decision means that insurers will be able to offer members cover for services such as skin check-ups and weight control classes. Out-of-hospital services like physiotherapy and dentistry will be included in the private health hospital table. The measures are designed to make Medibank Private more attractive to a potential buyer, said Health Minister, and remove

artificial restrictions on health cover. Industry sources say the reforms are "sensible"

ABIX News: April 28, 2006

7.5.2 AUSTRALIA: ORANGE JUICE SQUEEZED OUT OF MARKET

An Australian juice manufacturer has been ordered to change the name of a well-known fruit juice or find itself squeezed out of business. The Australian Competition and Consumer Commission (ACCC) said today it was concerned the Just Squeezed Group was misrepresenting the contents of its products with the brand name Just Squeezed Fruit Juices. The ACCC said only the company's orange juice contained fresh juice, ranging from 25 to 75 per cent, while the rest of its product range was reconstituted juice. ACCC chairman Graeme Samuel said the prominence of the words "Just Squeezed" on the labels, together with images of fruit and references to "juice", were misleading. Source said they created an impression each product was made directly from the fruit shown on the labels and did not contain reconstituted juice.

Australian Associated Press: April 07, 2006

7.5.3 AUSTRALIA: IMPORTS: CMA SLAMS LOCAL AUTHORITIES

An independent Australasian food lobby has warned that some imported confectionery could kill people. According to the Confectionery Manufacturers of Australasia, many imported products do not meet Australian standards and contain dangerous substances. It wants food standards groups and health departments to impose stricter audits. Australia imported more than 22,000 tonnes of confectionery in 2005, up from less than 13,000 tonnes in 2000

Food Management News: April 27 2006

7.5.4 AUSTRALIA: PRICELINE REPRIMANDED AFTER ACCC INVESTIGATION

Cosmetics retailer Priceline Pty Ltd has been found guilty by the consumer watchdog of breaching trade practice regulations. An Australian Competition and Consumer Commission (ACCC) investigation found Priceline sold brands that breached regulations by not listing all ingredients used in cosmetic products. Under the ACCC ruling, Priceline must appoint a cosmetics manager in each of its stores with responsibility for authorising all cosmetic purchases. Priceline was also ordered to implement a trade practices compliance program for employees and develop an effective complaints handling system.

AAP Business and Financial News: April 27, 2006

8. TURF ABROAD

8.1 UNITED STATES

8.1.1 U.S.A: KELLOGG ROLLS OUT NEW BITE-SIZED SNACKS

Kellogg Company is introducing two new additions to the wholesome snacks aisle - Kellogg's Granola Munch'ems and Special K Snack Bites. Each product features individual pouches of bite-sized morsels, which the US cereal giant says,

are perfect for busy, on-the-go consumers. The Granola Munch'ems snack bites are made with whole grains and several essential vitamins and minerals such as Vitamin A, Vitamin B6, Thiamin, Niacin, Riboflavin and Calcium. The 130-calorie serving pouches are available in two flavors: honey oat and brown sugar cinnamon. Each 6.3-ounce box contains six single-serve pouches.

www.datamonitor.com

8.1.2 U.S.A: P&G UNVEILS ITS FIRST DOLCE & GABBANA FRAGRANCE

US Beauty Company Procter & Gamble (P&G) is taking its most recently acquired license, Dolce & Gabbana, upscale with the launch of its new feminine fragrance The One. P&G, which will officially take over the fragrance license from Italy-based Euroitalia in June, is looking to position the Dolce & Gabbana franchise firmly in the premium segment.

www.cosmeticnews.com

8.1.3 U.S.A: COCA-COLA N.A., GODIVA TO LAUNCH NEW BEVERAGE LINE IN U.S.

Coca-Cola Co.'s North America unit said it plans to launch a new line of premium blended beverages with Godiva Chocolatier called Godiva Belgian Blends. The line, scheduled to launch July 31, will include three flavors: dark chocolate mocha, milk chocolate mocha and French vanilla latte. Financial terms of the agreement weren't disclosed. Godiva Chocolatier is a unit of the Campbell Soup Co.

Afxasia Newswire - Global: April 18, 2006

8.1.4 U.S.A: P&G SUES RANIR OVER BRAUN POWER TOOTHBRUSH PATENTS

Procter & Gamble Co. Unveiled its latest lawsuit against a private-label manufacturer, saying it sued Ranir LLC, alleging that it infringes on patents owned by Braun. P&G said that Ranir sells replacement toothbrush heads specifically designed to fit Oral-B power toothbrushes. Those toothbrushes are made by Braun and sold by Gillette in the United States. Cincinnati-based P&G acquired Gillette last October. The suit, filed in U.S. District Court for the Southern District of Ohio, seeks to stop Ranir from selling the products and to recover damages for violations of intellectual property rights, P&G said.

www.Reuters.com

8.1.5 U.S.A: REVLON TARGETS OLDER WOMEN TO PERK UP SALES

Cosmetics company Revlon Inc. (REV) is looking to recapture its glory by chasing after an underserved market: women over age 50. As part of a turnaround effort, Revlon, New York, unveiled its biggest launch in more than a decade - "Vital Radiance" - a line of makeup formulated for older women. Largely forgotten as Revlon and other competitors such as L'Oreal S.A. (12032.FR) have focused on age-defying beauty products for women in their 30s and 40s, the segment is becoming a hot new opportunity.

www.morningstar.com

8.1.6 U.S.A: NEW PERSONAL CARE LAUNCHES DEC-FEB: NAIL CARE TO GLOSS OVER THE COMPETITION

Productscan Online reports that Skincare topped the leading categories in personal care launches for the December 2005 to February 2006 period, with 13% more products launched under this category in the period than in the same timeframe in 2005. Meanwhile, both the Vitamins & Supplements and Hair Colorings categories have seen significantly fewer product launches than in the same period a year ago, while there have been a surge in Fingernail Product releases on the market, highlighting that this could be an up-and-coming product category.

www.productscan.com

8.1.7 U.S.A: ESTEE LAUDER SELLS STILA COSMETICS BRAND

Estee Lauder Companies has sold the stila color cosmetics brand to Stila Corp, an affiliate of Florida-based equity firm Sun Capital Partners, in a move that aims to concentrate on the more profitable brands in its portfolio. Estee Lauder first bought up the brand back in 1999, but it has failed to shine as a dominant brand. As was the case when the brand was first purchased, the company has not revealed any terms of the deal, including the price. Sila brand is a prestige brand of color cosmetics used by make-up artists. It is currently sold in up-market department stores in 13 countries, and in travel retail stores around the world.

www.cosmeticsdesign.com

8.1.8 U.S.A: PRODUCT CLAIMS: NEW PERSONAL CARE LAUNCHES, DEC-FEB

Productscan Online reports that only two claims featured in over 10% of new personal care products in December 2005 to February 2006 - "upscale" and "women", both of which saw a fall in popularity from the same period a year earlier. While the "women" claim experienced only a small fall in usage, "upscale" featured in less than 20% of new products in 2006, down from almost 30% the year before. Further down the table, the "natural" claim has also experienced a large fall in usage, featuring in fewer than 7% of new products in the three month period in 2006.

www.productscan.com

8.1.9 U.S.A: SOLEX PARTNERS BRINGS BEST HARD SHEEP MILK CHEESE IN THE WORLD TO AMERICA

The most prestigious international award in the world of cheeses was conferred recently to the Spain's Seniorio de Montelarreina brand. Chosen as best in its class, Seniorio beat two American brands from Wisconsin and earned the Gold Medal. Cheese lovers in the US can now enjoy this cheese thanks to Solex Partners importers, a Chicago-based entrepreneurial company operated by the Trias family.

www.Businesswire.com

8.1.10 U.S.A: ORGANIC CHOCOLATE TAPS GROWING ETHICAL CONSUMERISM

US firm have launched an organic fair trade chocolate range designed to tap the growing demand for environmentally conscious food. The products, from The San Francisco Chocolate Factory, are claimed to be 100 per cent organic and fair

trade certified. The company used this year's Natural Products ExpoWest in Anaheim, California to launch the range entitled Gaia.

www.confectionerynews.com

8.1.11 U.S.A: SALES OF PRESTIGE BEAUTY PRODUCTS HIT A NEW HIGH

Anti-aging and celebrity endorsements are continuing to fuel a significant rise in sales of prestige beauty products in the US, with the make-up segment providing the main driving force in a market now valued at \$8.2bn. Overall the market grew by an average of 4 per cent in 2005, but it is the makeup segment, which currently accounts for sales of \$3bn and 36 per cent of the market, that grew by an impressive 6 per cent, according to a new report from the NPD Group. The jump in sales for this category means that it accounts for the same market share as the once dominant fragrance sector, which is valued slightly lower at \$2.94bn, while the skincare segment grew by 2 per cent to reach a market share of 27 per cent valued at \$2.2bn.

www.cosmeticsdesign.com

8.1.12 U.S.A: ORGANIC CHOCOLATE TAPS GROWING ETHICAL CONSUMERISM

US firm have launched an organic fair trade chocolate range designed to tap the growing demand for environmentally conscious food. The products, from The San Francisco Chocolate Factory, are claimed to be 100 per cent organic and fair trade certified. The company used this year's Natural Products ExpoWest in Anaheim, California to launch the range entitled Gaia.

www.confectionerynews.com

8.2 UNITED KINGDOM

8.2.1 U.K: MARKS AND SPENCER DROPS COLOUR COSMETICS PRODUCER

UK retailer Marks and Spencer has streamlined its colour cosmetics business by switching to a single supplier, pulling a contract from Swallowfield worth a reported £2m (€2.9m). The Marks and Spencer colour cosmetics range, covering the Autograph and per una brands, had previously been supplied by both Somerset-based Swallowfield and Yorkshire-based Peter Black. The latter will continue to be used as the single supplier. A spokesperson for Marks and Spencer told Cosmetics Design Europe that, following a review of its sourcing for colour cosmetics, switching to a single supplier would allow the company to maximise productivity levels.

www.cosmeticsdesign-europe.com

8.2.2 U.K: ARDEN TO LAUNCH CELEBRITY FRAGRANCE- AGAIN

Elizabeth Arden is to team up with singer Mariah Carey for the launch of a new line of fragrances. The announcement comes just a few weeks after the company's shares fell on the back of rising competition in the celebrity fragrance market. The new products will join other celebrity-endorsed Elizabeth Arden fragrances, by names including Elizabeth Taylor Britney Spears and Hilary Duff. South-African-based cosmetics providers has thrown some light on what to

expect from the cosmetics world next year by predicting the colours and textures that should prove popular. The company's study, which falls in line with expectations in the chief markets it covers - including the US, China, Brazil and Japan - have been developed in collaboration with Peclers Paris, a global trends agency.

www.cosmeticsonline.com

8.2.3 U.K: UK STOPS SALE OF FOUR SOFT DRINKS

Britain's Food Standards Agency said four soft drinks were being removed from sale after they were found to contain high levels of benzene which can cause cancer. The FSA said it had discovered the products with a benzene level above the WHO's guidelines during a survey of 150 soft drinks on sale in the UK. The four products were Co-op's low calorie bitter lemon; Popstar's still sugar free lemon and lime drink; Morrisons' no added sugar pineapple and grapefruit crush; and Hyberry's high juice no added sugar blackcurrant squash.

Telegraph: April 2, 2006

8.2.4 U.K: SHAMPOO AD IRE IN UK

Claims made in advertisements for cosmetics and beauty products generally need to be taken with a pinch of salt. However, when some recent commercials for Head & Shoulders claimed that it could leave hair "100 per cent dandruff-free", they weren't telling the whole story. What the advert's voiceover meant was that regular use of the shampoo made it impossible to spot flakes of dandruff from a distance of two feet. The Advertising Standards Authority ruled that two television adverts had misled viewers. Although the manufacturers Procter & Gamble ran a text caveat at the bottom of the screen, the ASA ordered it not to repeat the adverts in their current forms. Procter and Gamble said that a distance of two feet was used for assessing dandruff because this was a "realistic personal distance" for people speaking to each other. A Procter & Gamble spokeswoman said the group would amend its adverts. The ASA, though, considered that users would think the advert meant they would be unable to see any dandruff themselves. After six years of television commercials stating regular use of Head and Shoulders "leaves your hair 100 per cent dandruff free," one sceptical viewer complained.

Telegraph: April 6, 2006

8.2.5 U.K: NUTRACEUTICAL PRODUCTS TARGETING WEIGHT MANAGEMENT TO GARNER REVENUES IN SOUTHEAST ASIA

Although a major proportion of the population in Indonesia, the Philippines and Vietnam consider nutraceutical products to be luxury items, the market is growing on account of the apparent health benefits conferred by these products. Introduced in the 1990s, nutraceuticals were successful in the United States and Europe. Southeast Asia, with its large population, shows significant potential for manufacturers in this space. Despite the apparent multiple advantages that these nutraceutical products offer, consumers are wary due to their high cost. Lower income groups in Indonesia, Vietnam and the Philippines still consider these products a luxury. To promote revenue generation across various income groups, manufacturers need to educate consumers on their benefits as well as create brand awareness and acceptance through extensive advertising and marketing.

PR Newswire: April 10, 2006

9. REST OF THE WORLD

9.1 AFRICA: TIGER BRANDS AGREES TO BUY CADBURY UNIT

Tiger Brands, Africa's biggest food maker, agreed to buy Cadbury Schweppes's Bromor Foods unit for 1.16 billion rand to expand into the soft-drinks market. Bromor, which sells non-carbonated soft drinks under brands including Oros and Energade, had sales of 805 million rand in 2005, a stock-exchange statement released recently by Johannesburg-based Tiger Brands shows. Cadbury, the maker of Dentyne chewing gum, said in February it planned to sell Bromor. Tiger Brands, whose products include Jungle Oats, expects to complete the purchase during the second half. The transaction requires approval from South African competition regulators.

www.busrep.co.za

9.2 RUSSIA: ORKLA BUYS RUSSIA'S CONFECTIONARY

Norwegian Orkla ASA announced recently that it acquired the biggest chocolate maker of northwestern Russia – Krupskaya Confectionary. The deal budget could be \$50 million, a source said, and the analysts forecast Orkla will purchase assets in Moscow region in the near term. Orkla ASA officially announced it sealed an agreement for acquiring more than 75 percent in Krupskaya Confectionary. Orkla intends to invest in the brand development and in production facilities of the factory, said Orkla Foods Director Krupskaya Confectionary is Orkla's second acquisition in Russia. The Norwegian company also owns SladCo Holding (5 percent on Russia's market) via its Danish subsidiary, United Confectionary BV.

www.kommersant.com

9.3 CHILE: VERSACE TO LAUNCH IN CHILE

Italy-based beauty company Euroitalia is seeking to bolster the position of its recently-acquired Versace brand in Latin America. The company has signed up Spanish group Puig to distribute its Versace and Moschino brands in Chile from this month. The company also revealed that it is looking to 'revamp' its Mexican business. Travel retail is also a focus for the Versace brand in the region. In particular, the company is seeking to increase its presence on major airlines there.

www.cosmeticnews.com

9.4 FRANCE: FRANCE BANS VITAMIN K1 FROM COSMETIC PRODUCTS

French health regulator Afssaps (Agence Française de Sécurité des Produits Santé) has put a total block on the production and distribution of the vitamin K1 for cosmetics products - a move that aims to tackle the problem of the growing number of individuals reporting severe allergic reactions. Vitamin K1 serum, or phytonadione, is used in a variety of cosmetic topical application for a number dermatological problems as well for treating swelling and bruising often associated with cosmetic surgery.

www.cosmeticsdesign-europe.com

9.5 CANADA: COCA-COLA TO LAUNCH NEW FLAVORS IN CANADA

Canadians will soon be able to enjoy the delicious, complex fusion of cola, black cherry and vanilla as the newest addition to the family of Coca-Cola(R) beverages begins to appear in stores across the country this week. Available in both diet and regular, Coca-Cola(R) Black Cherry Vanilla and Diet Coke(R) Black Cherry Vanilla are sure to tickle the taste buds of Canadians of all ages. Vanilla Coke(R), Diet Vanilla Coke(R) and Cherry Coke(R) will be going on hiatus, but may be made available again in the future. Coca-Cola(R) Black Cherry Vanilla and Diet Coke(R) Black Cherry Vanilla are what consumers are telling us they want. Diet Coke(R) Black Cherry Vanilla is sweetened with a blend of aspartame and acesulfame potassium (ace-k).

www.newswire.ca

9.6 SPAIN: WHEY BUTTER FOUND AS MAYONNAISE ALTERNATIVE

Andalusian researchers have produced an alternative emulsion to mayonnaise with whey butter. Researchers from the University of Huelva, the University of Seville, and the Instituto de la Grasa of the Spanish National Research Council (CSIC) and Corporación Alimentaria Peñasanta have produced an emulsion similar to mayonnaise with buttermilk, or whey butter, obtained as a by-product when milk is skimmed. It is a research line resulting from the Spanish PETRI project Buttermilk has a high protein content with important emulsifying properties. This is why mixing this product with oil and water properly; you obtain an emulsion that is similar to mayonnaise.

www.foodingredientsfirst.com

9.7 SPAIN: WACKER UNVEILS SKIN CARE AND SILICONE WAX INGREDIENTS

Wacker Fine Chemicals, a division of Germany-based Wacker Chemicals, has launched a series of new ingredients that include a cyclodextrin complex for wrinkle treatments and sun care products as well as silicone waxes for a variety of conditioners. These biotech-derived ingredients form part of a growing portfolio of highly technical ingredients that have been developed to provide breakthrough solution for a range of skin care and hair care products. Known as Cavamax, the α -cyclodextrin/linoleic acid complex has been developed for skin care products and is thought to be one of the first times that linoleic acid has been successfully incorporated into a cosmetic ingredient. The two latest ingredients in this range include CDM 3526 VP and high-melting CM 2026 VP. Silicones have become an increasingly important part of cosmetics formulations in recent years, playing an important part as texturing agents as well as conditioners and dermal protection. In this particular instance the ingredients have been developed for hair care products to provide added texture, volume and conditioning properties to hair. The company is also introducing two new silicone elastomer gels. The latest additions to the Wacker portfolio were all presented at the recent In-Cosmetics show, held in Barcelona, Spain.

Novis Cosmetics News: April 17, 2006